GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3819
ANSWERED ON:13.12.2002
FOREIGN LOANS FOR TEXTILE INDUSTRY
V. VETRISELVAN

Will the Minister of TEXTILES be pleased to state:

(a) whether in a bid make textiles industry more competitive in the global market, the Government are considering to liberalise the provisions of getting foreign loans;

(b) if so, the details thereof;

(c) whether a task force constituted by the Government to suggest measures for improving the textile sector have suggested a number of measures;

(d) if so, the details of measures suggested by the Task force; and

(e) the extent to which the government have agreed with the recommendation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) & (b) At present External Commercial Borrowing (ECB) in foreign exchange upto US$ 50 million or its equivalent by an Indian entity for general corporate purposes with average maturity of not less than 3 years is permissible under automatic route with the stipulation that such funds should not be used for investment in stock market or in real estate business. As such the textile units can resort to ECB upto US$ 50 million.

(c),(d) & (e) An Inter-Ministerial Task Force was constituted on 29.5.2002 to address three broad issues concerning the textile sector viz. fiscal issues, labour issues and banking/investment issues. The Task Force has not yet submitted its report.